

PA Environment Digest

An Update On Environmental Issues In PA

Edited By: David E. Hess, Crisci Associates

Winner 2009 [PAEE Business Partner](#) Of The Year Award

Harrisburg, Pa

February 13, 2012

Click On This Link To Print Entire Digest

<http://goo.gl/MfbnQ>

Senate, House Send Drilling Fee, Environmental Protection Bill To Governor

The House Wednesday voted 101 to 90 to send Marcellus Shale legislation-- [House Bill 1950](#) (Ellis-R-Butler)-- to the Governor for his signature. The House followed a 31 to 19 vote in the Senate Tuesday to approve the same legislation.

House Bill 1950 contains a uniform, statewide county-adopted drilling impact fee and a set of more than a dozen additional environmental protection measures. In addition, the bill contains a transfer of monies from the DCNR Oil and Gas Fund to the Environmental Stewardship (Growing Greener) Fund. ([Click Here](#) for bill summary. [Click Here](#) for revenue distribution.)

If all the Marcellus counties adopted the drilling fee, the fee would raise about \$180.5 million in 2011 and \$211.1 million in 2012 and revenue would increase to about \$355 million in 2015. ([Click Here](#) for revenue projections.)

Unfortunately, these gains in funding for local government and environmental projects were offset in part Tuesday in the Governor's FY 2012-13 budget proposal which calls for \$56.6 million in funds from the Keystone Recreation, Parks and Conservation Fund and the Cigarette Tax to go to the General Fund to balance the state budget.

About \$36.1 million from the Keystone Fund and \$20.5 million from the Cigarette Tax goes to the General Fund. While Department of Agriculture staff have said the \$20.5 million will be made up with interest payments from the Growing Greener II bond fund, that is still a net loss to environmental funding.

"This new industry has brought economic growth and jobs, but it has also brought new challenges," said Sen. Joe Scarnati (R-Jefferson), a prime sponsor and an advocate for Marcellus Shale legislation. "The most important issue in this whole conversation is the protection of our



natural resources and the communities where drilling takes place. I believe we can have the jobs that this new industry brings, and we can still protect our environment in a balanced way.

"This legislation will help communities in the Marcellus Shale region provide for reasonable local zoning parameters and implement strong environmental protections. Drillers will pay their fair share, and that revenue will help our state and its citizens as this industry continues to grow.

"Local governments will retain their traditional powers to provide for local zoning and regulation, and we can, at the same time provide for the development of natural gas and the jobs and opportunities that this industry brings.

"The Marcellus Shale industry is here to stay in Pennsylvania – bringing us jobs, huge economic benefits and the potential for energy independence," Sen. Scarnati said. "It makes sense to impose a reasonable impact fee on the industry to provide the funding necessary to further protect our natural resources, particularly at a time when our state is being forced to stretch our tax dollars."

Gov. Tom Corbett thanked the members of the House and Senate for passing House Bill 1950, which is a comprehensive Marcellus Shale package. The Conference Committee report passed today in the House.

"After long negotiations and a lot of hard work, we have reached a consensus on how to address the impacts in the Marcellus Shale regions," Corbett said. "I am very pleased with the cooperative spirit shown by the General Assembly and their staffs while working to resolve this complex issue. I look forward to signing this legislation into law."

Last October, Corbett outlined his Marcellus Shale proposal, which followed the work of the Marcellus Shale Advisory Commission and includes a plan to help create thousands of jobs for Pennsylvania residents, to enhance protection of our natural resources, and to move the state toward energy independence. House Bill 1950 contains 24 of the legislative recommendations offered by the advisory commission.

"This legislation reaffirms our strong commitment to safe and responsible natural gas development here in Pennsylvania," Corbett said.